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31 August 1962

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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THE WEEK IN BRIEF
(Information as of 1200 EDT 30 Aug)

SOVIET FOREIGN POLICY DEVELOPMENTS Page 1

Berlin: The USSR has made it clear that responsibility for local Berlin affairs lies with the East German commandant appointed last week after abolition of the Soviet commandant's office in East Berlin. The next steps toward formally incorporating East Berlin into East Germany may be taken in early September after Ulbricht's return from the USSR.

Nuclear Weapons: In Geneva, the Soviets are stressing that the two draft test ban treaties introduced by the US and Britain are not in accord with the compromise proposal offered by the eight nonaligned nations last April.

Cuba: Moscow is seeking to counter recent US public attention to the heavy influx of Soviet personnel and material into Cuba by exploiting the recent raid in Havana harbor and by stressing the allegedly nonmilitary nature of Soviet shipments. [REDACTED]

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CIVIL UNREST IN THE USSR Page 3

The Rostov area of the Soviet Union has been closed to foreigners since 1 June because of disorders described variously as a strike, a riot, and a peaceful demonstration. The disorders were reportedly triggered by the increase in the retail price of meat and butter. Troops were called in, party presidium member Frol Kozlov was sent to the area, and martial law was imposed, but an explosive condition apparently still prevails. [REDACTED]

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NORTH VIETNAM CONCERNED OVER AGRICULTURAL FAILURES Page 5

Hanoi is attributing persistent agricultural failures and resultant food shortages to poor management of cooperatives. The authorities, expecting a worsening food situation in the coming months, are trying to improve food distribution and are encouraging city dwellers to grow food on unused land. [REDACTED]

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ALGERIA Page 6

Ben Bella's appeal to Algerian National Army units loyal to him to send contingents to Algiers to restore order poses the threat of civil war. Leaders of Wilaya IV, who control Algiers and the surrounding area, are massing their forces in Algiers and have announced that they will resist attempts by Ben Bella's forces to enter the city. Although Wilaya III--controlled by Ben Bella's rivals Belkacem Krim and Mohamed Boudiaf--has expressed support for Wilaya IV's position, there is no indication that it will send troops to Algiers. [REDACTED]

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CONGO Page 8

Tshombé has implied that he will accept the UN's plan for reconciliation in the Congo, but in line with his usual dilatory tactics he wants "clarification" of several points and certain Western "guarantees."

Pressure may be increasing for Adoula to release Gizenga. Sporadic fighting continues in northern Katanga.

LAOS Page 9

The North Vietnamese have begun token withdrawals of "technicians" from Laos through the International Control Commission checkpoints. Some North Vietnamese troops appear to have been withdrawn. Pathet Lao forces--aided by North Vietnamese--are continuing mop-up operations against Meo units in northern Laos.

WEST NEW GUINEA Page 11

The UN military representative supervising the cease-fire in West New Guinea anticipates only the normal problems in maintaining law and order when the UN administration takes over the territory from the Netherlands on 1 October. Some 1,000 UN troops will be available.

President Sukarno has indicated that he will try to expand Indonesia's role in New Guinea during the UN administration.

UAR VS. SYRIA Page 12

Nasir's prestige in the Arab world has been seriously damaged by the defection to Syria of a high-level UAR intelligence officer. This event coincided with an Arab League meeting to consider Syrian charges of UAR subversion which had led Cairo to threaten to withdraw from the organization. Such action would further weaken the League and dramatize the Nasir regime's estrangement from other Middle Eastern governments. These developments, on the other hand, are likely to strengthen the Syrian Government.

FRENCH RELATIONS WITH THE ARAB WORLD Page 13

Withdrawal from Algeria has improved France's relations with the Arab world. Diplomatic ties with Tunisia have been renewed, and Paris has a new aid agreement with Morocco. France will probably continue to insist, however, that the UAR make some gesture toward settlement of French property rights there.

TRINIDAD Page 14

Trinidad will become an independent state within the British Commonwealth on 31 August. Prospects for economic viability are good. Trinidad is generally pro-Western and wants to join the Organization of American States. Premier Williams, however, who is moved by personal animus

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against the US, has indicated that his first consideration after independence will be to obtain more American aid in return for use of the naval base and radar research facility at Chaguaramas.

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SPECIAL ARTICLES

SINO-INDIAN RELATIONS Page 1

Relations between Communist China and India, cordial in the mid-1950s, have deteriorated to the point of withdrawal of ambassadors, termination of the 1954 "peaceful coexistence" treaty, mutual propaganda recriminations, and skirmishing along the border. Both sides are anxious to avoid a major military clash and have expressed readiness to discuss the issue, but there is little prospect of an early settlement of the long-standing boundary dispute.

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MULLA MUSTAFA AL-BARZANI: KURDISH NATIONALIST Page 5

Thirty years of Kurdish nationalist activity have made Mulla Mustafa al-Barzani a legendary figure among the tribesmen of Kurdistan. He has fought in Iraq and Iran, and spent eleven years in "exile" in the USSR. A year ago he sparked a new rebellion in Iraq and is successfully holding off the Iraqi Army. He is far from having the support of all the Kurdish tribes, however, and his chances of leading a general Kurdish uprising seem slim.

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ITALY'S CENTER-LEFT GOVERNMENT Page 7

Premier Amintore Fanfani's coalition of Christian Democrats, Social Democrats, and Republicans has governed Italy for six months with Nenni Socialist support. This long-discussed "opening to the left" has made some progress toward socio-economic reform and is widening the breach between the Communists and the Socialists. However, economic interests, including influential Christian Democrats, and opponents at both ends of the political spectrum will make every effort to discredit the new alignment before the 1963 national elections.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEEKLY REVIEW****SOVIET FOREIGN POLICY DEVELOPMENTS**

Since the abolition of the Soviet commandant's office in East Berlin on 22 August and the appointment less than 24 hours thereafter of East German Major General Poppe as commandant of the "capital of the GDR, Berlin," the Soviets have made it clear that they will no longer accept any responsibility for local East Berlin affairs. Thus far, however, they have taken none of the steps which would logically follow the liquidation of the Soviet commandant's office, such as East German action to bar Allied military entry into East Berlin or attempts to induce the Western powers to deal with the new East German commandant. Normal Allied military traffic continues to move in and out of East Berlin without difficulty.

The conclusion of Ulbricht's month-long stay in the USSR was signaled by a TASS announcement on 28 August that he and Khrushchev had met in the Crimea for a "long and friendly" discussion of important international questions. After his return the East Germans may proceed with formal steps to incorporate East Berlin into the GDR. Such steps might include a session of the East German State Legislature which presumably would formalize the incorporation and enact new regulations imposing international passport controls at the Berlin sector border applicable to Allied military personnel of the Berlin command as well as all civilian travelers.

Berlin Developments

In the first test of the effects of the abolition of the Soviet commandant's office, the Soviet Embassy in East Berlin declined on 24 August to accept

a letter from the French ambassador in Bonn, addressed to Soviet Ambassador Pervukhin, protesting the shooting of an East German escapee at the wall in the French sector on 23 August. In an obvious move to underscore the Soviet contention that the USSR no longer has any responsibility for East Berlin, the Soviet Embassy said this question was not within the competence of the Soviet ambassador.

Soviet insistence on unrestricted access to the Soviet war memorial in West Berlin dominated local developments in the city last week. Following the West Berlin disorders during the weekend of 18 August in which Soviet buses transporting guards to the memorial were stoned, the Soviets introduced armored personnel carriers on 21 August and then demanded that the US discontinue its practice of escorting these vehicles through the US sector. Soviet officials contended that the escorts constitute a "forced measure," not a safety precaution, and said the vehicles needed no protection. They warned that if US escorts were continued, the Soviets would retaliate by escorting all US military vehicles entering East Berlin and on the autobahn between West Berlin and West Germany.

In an apparent move to emphasize these warnings, the Soviets delayed a US convoy on the autobahn for 43 minutes at the Babelsberg checkpoint on 23 August by renewing demands, last made in June, that US troops dismount for a head count and that tailgates of the trucks be lowered for inspection.

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The vigorous efforts to stop the US escorts suggest that the Soviet authorities regard the practice as implying an infringement of their rights of unrestricted access to West Berlin. They are particularly sensitive to the presence of West Berlin police in the escort parties.

Moscow used its 24 August note to the US protesting the "dangerous provocations" against Soviet vehicles carrying guards to the war memorial to warn that if such incidents are repeated, measures will be taken to ensure the security of Soviet personnel. The note charged that both the US "occupation authorities" and the West Berlin police had remained inactive when "bandit elements" tried to prevent the passage of Soviet guards.

Geneva Talks

At Geneva, the USSR has been placed on the defensive by the US and British offer on 27 August of a choice of two treaties: one would ban all nuclear tests and would be enforced by obligatory on-site inspections; the other, including no provision for inspection, would ban tests in the atmosphere, in outer space, and underwater, but would exclude underground tests from the ban. Soviet delegate Kuznetsov attacked the proposals but attempted to avoid the impression of a categorical rejection by stating that Moscow would study them.

Kuznetsov is attempting to avoid being isolated by stressing that the USSR has already accepted proposals for a compromise agreement offered by the eight nonaligned nations at Geneva last April and that the US-UK proposals are not in accord with the neutralists' position. He reaffirmed Soviet insistence on an agreement banning all tests on the basis of the neutralist proposal.

Kuznetsov also revived the Soviet test ban draft of November 1961 which would halt atmospheric, outer space, and underwater testing and institute an indefinite moratorium on underground tests. He attempted to identify the USSR with neutralist suggestions for a moratorium on underground testing by proposing that all tests should be stopped simultaneously on 1 January 1963.

Cuba

Moscow is attempting to counter recent US public attention to the heavy influx of Soviet bloc personnel and material into Cuba by denouncing the "piratical shelling" of Havana on 25 August and renewing charges that the US is planning another invasion attempt. Soviet propaganda branded as "cynical" and "hypocritical" the official US denial of responsibility for the Havana raid and charged that it was carried out with the "direct support of Washington."

The USSR also renewed cautious expressions of Soviet support in the event of another "dangerous adventure" by the US. Moscow radio stated that "Cuba does not stand alone," and that the Cuban people, "with the assistance of all progressive mankind," will deal a crushing rebuff to any new attacks by the imperialists.

Moscow sought to counter US statements regarding the shipment of Soviet military equipment to Cuba by issuing a TASS report describing the allegedly non-military nature of Soviet cargoes, announcing that the volume of Soviet-Cuban shipments this year will double last year's rate, and pointedly noting that the USSR has chartered ships of several NATO members to transport "industrial equipment, flour, paper, and fertilizer" to Cuba.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CIVIL UNREST IN THE USSR**

The Rostov area of the Soviet Union was in a state of civil unrest for over two months this summer, and an explosive condition may still prevail. The first incident occurred in the industrial city of Novochoerkassk, about 25 miles from Rostov-on-Don, following the announcement on 1 June of the increase in retail prices of meat and butter. The disturbance has been variously described as a strike of the 11,000 employees at the Novochoerkassk Electric Locomotive Plant, as a riot of townspeople, and as a peaceful demonstration of students and housewives. According to the bulk of the reports, troops were called in; they fired on the crowds and killed a number of people, including some children. Martial law was imposed with a 7:00 p.m. curfew. Frol Kozlov, second-ranking party secretary, was sent to handle the problem.

Beginning on 1 June Novochoerkassk newspaper editorials sought to explain and justify the price rise to the populace, becoming increasingly strident in the process. On 10 June a headline in inch-high type proclaimed: "We Understand: It Is Necessary Now." The price rise, however, acted more as a catalyst for accumulated grievances than as sufficient cause for the disturbance.

Moscow's attempts to cope with the problem seem singularly inept. The use of troops, although halting the first disturbance, created an ugly mood not only in Novochoerkassk but also

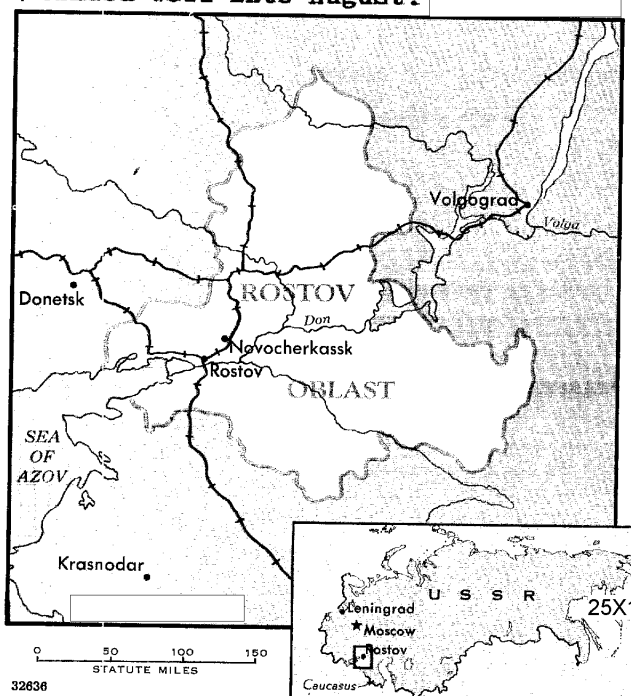
in neighboring communities. This hostility and probably sporadic "incidents" finally led the Novochoerkassk City Council on 12 July to issue an extraordinary decree on safeguarding public order in the city.

A temporary modification of food prices has been reported [redacted] but Moscow seems to have relied more on indoctrination than on improvement of living conditions to bring the situation under control.

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The unrest apparently continued well into August. [redacted]



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[redacted] riots were still taking place on the 3rd. The Rostov Oblast party first secretary was replaced on 15 August by an outsider from the Ukraine. On 19 August two American Embassy officers traveling a route previously approved by the Ministry of Foreign Affairs were told by a local official that the road was closed and that "incidents could happen" if his "advice" to avoid the road were not heeded. He stressed that the route was "right on the border of Rostov Oblast." The officers were kept on a new route by police stationed at major crossroads.

The entire Rostov area has been closed to foreigners since 1 June. Tourists on previously approved itineraries were at the last minute refused permission to visit Rostov and were diverted to other areas. [redacted]

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Moscow's efforts to hide the real reason for closing the area have bordered on the ridiculous. Tourists have been told they could not go to Rostov because of a "storm," a cholera epidemic, an international meeting to have been held there the last of July, an epidemic of hog cholera, "infection" or "illnesses," the collapse of the roof of the Rostov hotel, and "something military going on there." Late in July the Soviet Foreign Affairs Ministry finally announced officially that the Rostov area was "quarantined" until 1 September. [redacted]

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****NORTH VIETNAM CONCERNED OVER AGRICULTURAL FAILURES**

Persistent agricultural failures since 1960 and resultant food shortages are causing increasing concern in Hanoi. The government, expecting a worsening food situation in the coming months, is encouraging city dwellers to supplement their diet by growing food on unused land. It is trying to improve food distribution and management of the collectives.

The party plenum in June issued a resolution noting that agriculture is still backward, is based mainly on manual labor, and is lagging behind the "requirements of economic development and the improvement of the people's living conditions." Ho Chi Minh put it more bluntly when he cited an old Vietnamese saying that "whatever cause we want to champion, we must eat first." Complaining about the disappointing output of rice and subsidiary crops in the first half of this year, the chairman of the State Planning Commission warned that the food situation would get worse in the second half.

In rationalizing its agricultural problems, Hanoi has put little blame on the weather and has directed most of its criticism at faulty management and leadership of agricultural cooperatives. Hanoi has complained that the peasants are permitted to "pursue their easy-going and free life," and that they lack a sense of participation and responsibility in the cooperatives.

[redacted] the authorities are seriously dissatisfied with the continued failure of the cooperatives. The peasants have reportedly shown no enthusiasm for collectivization and have withheld foodstuffs for their own use or for sale on the black market.

At the present time 89 percent of the 2,700,000 peasant households in North Vietnam are in cooperatives; approximately 845,000 are in the new hamlet-size units organized last year. These figures have not changed significantly in the past 12 months. They illustrate the hesitancy of the regime to move into more advanced forms of collectivization until the present level of organization is consolidated.

Expanding agricultural output is vital, not only to improve subsistence diets and raise worker incentive but to provide raw materials for industry and goods for export. Recognizing this, North Vietnam's leaders have recently emphasized agricultural development as their most immediate concern. Because of the current difficulties, the regime now may feel that greater investment in agriculture is needed than was originally anticipated in the Five-Year Plan.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ALGERIA**

Ben Bella's appeal to Algerian National Army (ALN) units loyal to him to send contingents to Algiers to restore order poses the threat of civil war. Leaders of Wilaya IV, who control Algiers and the surrounding area, are massing their forces in Algiers. They have announced they will resist attempts by Ben Bella's forces to enter the city. Although Wilaya III---controlled by Ben Bella's rivals Belkacem Krim and Mohamed Boudiaf---has expressed support for Wilaya IV's position, there is no indication that it will send troops to Algiers. In any event, ALN Chief of Staff Colonel Boumedienne and other military leaders are likely to press for a prominent political role in Algeria as the price of their support.

have had little or no formal training.

Ben Bella had apparently been trying to organize effective support among the ex-rebel, non-military organization which conducted urban operations and kept discipline before independence, as well as from Algerians recently returned from France. Yacef Saadi, a master terrorist who led and organized the highly effective "battle of Algiers" against the French in 1956-57--which was contained only after an all-out effort by French paratroopers--was designated by Ben Bella's political bureau to head a Committee of the Party for Greater Algiers. The arrest

If the troops moving on Algiers are drawn largely from Boumedienne's "exterior" ALN, which entered Algeria from Tunisia and Morocco after independence, they will be well-equipped and disciplined. The presence of these troops, however, would be likely to increase Wilaya IV's determination to resist, since the guerrilla troops which fought the war within Algeria have an intense dislike for Boumedienne and his forces. Many of the "troops" of Wilaya IV, however, are probably men who hastily joined the guerrilla forces after independence and

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of many of Yacef's men by Wilaya II and the 29 August gun battle in Algiers, however, probably led Ben Bella to reluctantly calculate that a show of force was necessary.

The resignation of Mohamed Boudiaf, Krim's representative on the political bureau, and Krim's outspoken criticism of Ben Bella and the political bureau in a 28 August press conference suggest that these leaders are exploiting Wilaya IV's control of Algiers to press their own campaign against Ben Bella. Krim, however, specifically repudiated the use of force to solve the dispute, and unless Wilaya III is invaded he will probably maintain this position. The US Consulate General in Algiers felt on 28 August that although armed clashes could not be ruled out, Wilaya IV, in return for some concessions, might be prevailed upon to give way.

The Consulate General also reported that Algerian officials in Algiers were disgusted and disillusioned over the renewed political-military bickering and the postponement of the 2 September elections. Pressure from middle-level young Algerians reportedly was a considerable factor in bringing about the early August compromise "solution" between the political bureau and the Provisional Algerian Government (PAG), and may have a significant effect in the present crisis.

The populace, particularly in Algiers, is restive as a result of large-scale unemployment and ineffective government, and its sense of frustration may produce mob violence.

Despite the week's political confusion in Algeria, French Minister for Algerian Affairs Joxe and Algeria's Provisional Executive President Fares went ahead with the formal signature on 28 August of nine protocols governing French-Algerian relations in a number of important fields. Six of the protocols were short-term agreements establishing the basis for French technical assistance in education, judicial matters, and the administration, and for continuation of the multinational Common Organization for Saharan Research (OCSR) until the end of this year. Three long-term agreements providing for the establishment of a joint French-Algerian organization to replace OCSR and guaranteeing French oil interests in the Sahara were also signed by Fares, presumably with the consent of key Algerian leaders.

Signature of the protocols, however, is unlikely to relieve long-standing apprehensions in Paris that further deterioration of the political situation in Algeria could lead to the emergence of extremist leaders who would not hesitate to repudiate such agreements. 25X1

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CONGO**

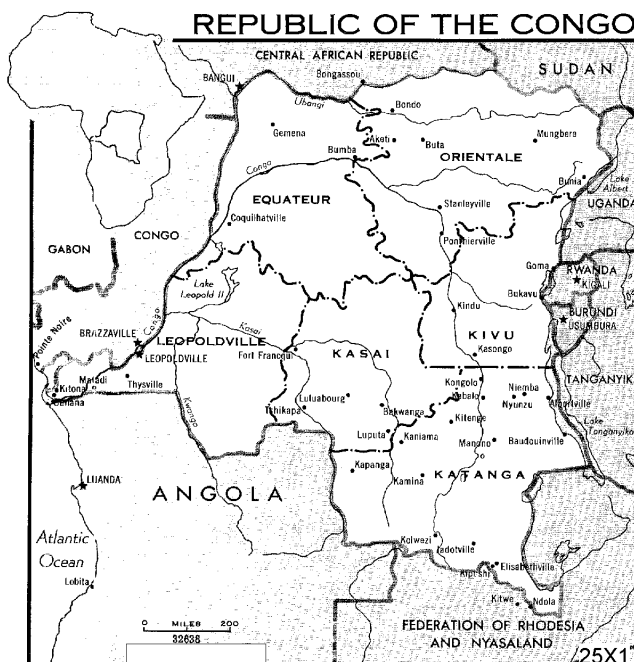
Tshombé informed the American, British, and Belgian consuls on 28 August that he was giving serious consideration to the UN's plan for reconciliation in the Congo and implied that he would accept it. In line with his usual dilatory tactics, however, he said that he wanted clarification of several points from the UN and the Western powers and Western "guarantees" on a number of specific points. He said next day that the plan was receiving "minute study" and that he intended to give his reply next week.

Before the plan was formally presented to Elisabethville, Tshombé's Foreign Minister had written U Thant asking that immediate contact be arranged between the UN and the Katangan government so that Katanga's ideas on federation could be "explained" and "delay prevented."

Delays probably will also occur in Leopoldville in spite of Adoula's efforts to co-operate with the UN.

Katangan forces continues in northern Katanga along the Kamina-Kabalo road and between Kabalo and Albertville. A UN staff officer reports that the Katangans recently sent reinforcements to the area and appear to be moving toward Niemba, on the Kabalo-Albertville rail line. He said the Katangans have also strengthened their positions at Kitenge, midway between Kamina and Kabalo. The UN officer also said that an advance party of the ANC battalion which will operate with UN forces has arrived at Kamina.

A number of articles have appeared recently in the local press on imprisoned Antoine Gizenga. The US Embassy believes Adoula may be under increasing pressure from Gizenga's supporters to release him, and that Guinean Ambassador Diallo may be prepared to offer Adoula the support of the Casablanca powers as a quid pro quo. Interior Minister Kamitatu, who has previously been reported working for Gizenga's release, visited the former Stanleyville leader on 23 August in the company of security chief Nendaka.



Sporadic fighting between Congo National Army (ANC) and

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****LAOS**

The North Vietnamese apparently have decided to make token withdrawals of their troops through the International Control Commission (ICC) checkpoints at Nhommarath and the Plaine des Jarres. On 27 August, fifteen "advisers and technicians"--Hanoi has never conceded the presence of armed troops--left the Plaine des Jarres for North Vietnam.

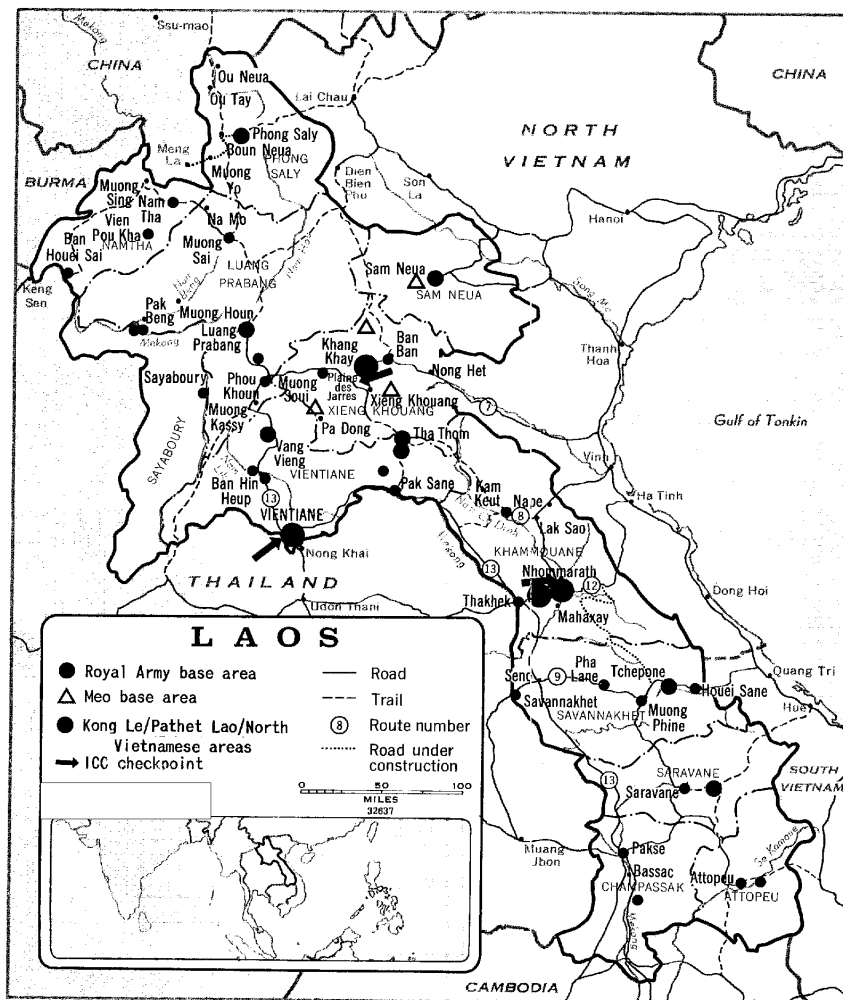
While only a few North Vietnamese are expected to pass through the established checkpoints in pro forma observance of the Geneva accords, evacuation from neutralist-held areas of some North Vietnamese troops appears to have taken place.

North Vietnamese elements have been airlifted from the Plaine des Jarres area in

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addition to having been withdrawn overland via Route 7.

The withdrawal, however, is by no means complete. There are continuing reports of North Vietnamese activity, especially in northeastern Laos, a center of Pathet Lao strength and an area which the Pathet Lao probably consider a "base area" which must be protected. Moreover, substantial numbers of North Vietnamese will probably be incorporated incognito into Pathet Lao units in a cadre capacity.

Phoumi Vongvichit, Pathet Lao minister of information in the new government, on 28 August called for an end to US resupply

flights to Meo guerrilla outposts. He declared any US resupply flights subsequent to the deadline for the withdrawal of troops would constitute "a violation of the Geneva accord," and added, "It's not up to the Americans to feed the Meos."

Meanwhile, Pathet Lao units, reportedly aided by North Vietnamese troops, have continued to conduct mop-up operations against the Meos in northern Laos. The Pathet Lao apparently feel that the Meos, who are scattered throughout the mountains of northern Laos, present the most serious threat to Communist consolidation of control over the northern provinces.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEST NEW GUINEA**

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The UN military representative supervising the ceasefire in West New Guinea, Brigadier General Rikhye of India, anticipates no security problem beyond normal law and order requirements when the UN administration takes over the territory from the Netherlands on 1 October. The UN will have about 1,000 troops available by that time. The UN also will re-supply Indonesian forces that have been infiltrated into New Guinea during the spring and summer and will inform them by pamphlet drops of the ceasefire. Rikhye also says that during a recent visit to Djakarta he took President Sukarno to task for Indonesian infiltrations of New Guinea since the 15 August agreement and that he obtained a promise from him that these would stop.

Sukarno, however, apparently still wants to increase Indonesia's military presence in West New Guinea beyond the 1,200 troops estimated to be there. He also seems eager to acquire immediately more Indonesian influence in the area than the Dutch-Indonesian agreement makes possible.

Sukarno announced on 21 August that Indonesia's development plan for West New Guinea need not wait until May--the date for transfer of the territory's administration to Indonesia--but will begin on 1 October. On that date, he said, free movement of goods and people will be possible between the area and other parts of Indonesia. He also said that if the UN forces proved inadequate to cope with the situation, the Indonesian armed forces may be asked to assist.

The Indonesian Communist party will try to exploit the UN phase of the New Guinea settlement. In a 20 August speech in which he endorsed Sukarno's present position, party chairman Aidit added that "the rule of the UN is, in essence, that of US imperialism. It will be easy for the Indonesian people to identify those responsible when difficulties occur during the UN rule."

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****UAR VS. SYRIA**

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The defection to Syria of Lt. Col. Zaghlul Abd al-Rahman, the UAR military attaché in Beirut and a key intelligence officer, has seriously damaged Nasir's prestige in the Arab world. The defection occurred while Arab League representatives were meeting in Lebanon to consider Syrian charges that the UAR is engaged in subversive activities against the Damascus regime. The attaché had been heavily involved in these activities, and was able to substantiate the Syrian charges. To cover its embarrassment, Cairo threatened to withdraw from the League.

If Cairo carries out its threat, it would in effect be admitting that it now has practically no friends among Middle Eastern governments. Nasir may once more go into a phase of concentrating on internal Egyptian affairs, although his propaganda against "reactionaries and opportunists" in the Arab world is unlikely to slacken.

Zaghlul alleged in a press conference in Damascus on 28 August that he belongs to a secret organization composed of UAR officers, intellectuals, and students opposing Nasir's "dictatorship." Whether or not such an organization exists, Nasir is likely to tighten security measures.

His suspicions are likely to be deepened by the fact that Zaghlul is an old acquaintance of UAR Vice President and Field Marshal Amir, whose brother was arrested some months ago for indicating anti-regime sentiments.

Inside Syria, these developments will strengthen the regime of President Qudsi and Prime Minister Azmah, who have been under pressure to reorganize the cabinet. UAR sympathizers, still numerous in the country, will also suffer; the Syrian Government closed the borders with Lebanon and Jordan while it rounded up agents and others whom Zaghlul had exposed.

The Arab League--already boycotted by Iraq--would be still further weakened by the UAR's withdrawal, although other members are frantically attempting to paper over the rift. Despite its sorry record as an action agency since its founding in 1945, the League has provided a forum in which the Arab states could settle their disputes "within the family," without calling on foreign powers for help except in grave emergencies.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****FRENCH RELATIONS WITH THE ARAB WORLD**

Withdrawal from Algeria has enabled France to begin improving its relations with the rest of the Arab world.

In North Africa, the uncertain situation in Algeria gives Paris particular cause to establish good terms with the neighbors of its former possession.

Diplomatic ties have been resumed, and an exchange of ambassadors is imminent. French relations with Libya have been handled by chargés, but Libya has nominated an ambassador

Morocco and France on 7 July concluded a new economic and financial agreement which makes available to Morocco the equivalent of \$60 million in the form of development loans, guarantees for French exporters of capital equipment, and drawing rights on the Bank of France.

Elsewhere, however, France has insisted that the Arab states themselves make the first move toward restoration of the relations they broke at the time of the Suez crisis.

France and Syria exchanged cultural attachés this spring pending a full-scale resumption of relations which was to take place after a cease-fire in Algeria.

Reconciliation with the UAR has been delayed by Nasir's opposition to French retention of military bases and nuclear test sites in Algeria and by Paris' insistence that the UAR make some gesture toward settlement of French property rights in Egypt. Foreign Ministry officials have indicated that France would be willing to resume relations if the UAR would show some support for the 1958 Zurich agreements designed to settle financial differences between the two countries. France reportedly sees no reason at this time to resume relations with Iraq, Yemen, or Kuwait.

It is unlikely that improved French-Arab relations will weaken France's strong ties with Israel. France will probably attempt a more cautious and balanced approach to Arab-Israeli political disputes, but it will probably continue to be Israel's principal supplier of modern military equipment.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****TRINIDAD**

Trinidad and the nearby island of Tobago on 31 August will become independent as a unitary state within the British Commonwealth. The new country's prospects are good for continued economic viability, based primarily on petroleum and agriculture. Generally pro-Western, Trinidad wants to join the Organization of American States (OAS). Premier Williams, however, who bears a personal animus against the US, has stated that his first consideration after independence will be to "raise the whole question of aid."

Williams evidently intends to reopen the financial provisions--which he helped draft and then signed--of the 1961 Defense Areas Agreement, under which the US holds the naval base and associated radar research facility at Chaguaramas until 1977. In the agreement the US expressed readiness to contribute to Trinidad's economic development, and specified for priority consideration several projects it would help finance. Williams interprets this as a US promise to underwrite the total cost of these specified projects--now estimated at more than \$80 million--and in addition infers from the agreement a US commitment to pay for other projects he has since added. On 11 August he blamed Trinidad's continuing high unemployment on alleged US nonfulfillment of the 1961 agreement, and attacked both the US and the UK for not providing his latest addition, a \$30 million housing loan.

Williams has invited many countries to send delegations to the independence ceremonies. Representatives include the Soviet ambassador to Mexico, the Chinese Nationalist ambassador to Brazil, and a nonentity from the Cuban Foreign Ministry. The invitation

to Cuba was evidently intended primarily to annoy Washington and London; there is practically no contact between Cuba and Trinidad, and Williams indicated previously that he will be reluctant to agree to any Cuban request to open consulates.

Personally anti-Communist, Williams has kept tight government surveillance over Trinidad's small Communist party, which is not represented in the legislature. The US Consulate General in Port-of-Spain finds no evidence to support recent local comments about Communist penetration of the labor movement. The consulate general suggests, however, that Williams may gravitate toward the Afro-Asian bloc at the UN if Trinidad has difficulty getting into the OAS.

Williams is ambitious to become a regional leader despite Trinidad's long rivalry with Jamaica and current friction with the smaller British islands. For about six months he has been promoting a Caribbean common market. His visit to Surinam in early August yielded a joint declaration recommending closer cultural and economic ties; the potential for trade between Trinidad and Surinam is small, however, because their economies are not complementary. Williams also plans to visit the French Caribbean territories soon to promote his common market project.

Williams favors more trade with British Guiana--now mainly in rice--but is hostile to Premier Cheddi Jagan on both ideological and racial grounds. Williams is alert to the possibility of a future political alignment between the East Indian minority in Trinidad, chafing under Williams' Negro government, and the East Indian party governing in British Guiana.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SPECIAL ARTICLES****SINO-INDIAN RELATIONS**

Relations between Communist China and India have cooled to the point where there is little contact except through formal diplomatic channels. Even these contacts are maintained through chargés, both countries having pointedly refrained from replacing their absent ambassadors.

China has harassed the Indian representative in Peiping and has made the operation of India's consulate in Lhasa virtually impossible. The New China News Agency offices in India have been closed, and operations of the Bank of China in Calcutta have been greatly curtailed. India continues the deportation of Chinese nationals and has seized several objectionable publications sponsored by the Chinese Embassy. India allowed the 1954 treaty governing trade between India and Tibet to lapse in early June, and trade agencies in India and Tibet were closed. The Chinese Communists had attached importance to the 1954 accord as the first formal treaty containing the so-called Five Principles of Peaceful Coexistence. This catch phrase has been used in much of their propaganda to other Asians.

Early Relations

When the Communists came to power in mainland China they made little effort to cultivate relations with neighbors. Their interest in the nonbloc world was focused primarily on revolutionary movements and the activities of Communist parties. In 1949 Mao said, "We oppose illusions about a third road."

Indian leaders at that time viewed the Communists' rise to power in China as an independence movement parallel to their own and part of the general anti-colonial revolt in Asia. The Indians, proud of their own

newly won independence, became staunch promoters of their Communist neighbor's efforts to enhance its international acceptability. They endorsed Communist China's claim to Taiwan, pressed for Peiping's admission to the United Nations, and voted against a Security Council resolution condemning the Chinese as aggressors in Korea.

In the years since 1949 there have been major policy shifts in both countries. Not long after their entry into the Korean War the Chinese began to increase contacts with non-aligned nations. In 1951 Peiping concluded its first trade pact with India. The following year Peiping's "People's diplomacy" began in earnest, Sino-Indian cultural contacts were assiduously cultivated, and delegations were exchanged.

Relations between Peiping and New Delhi were warmest in the years immediately following their 1954 treaty on Tibet. Public statements of joint opposition to major facets of Western policy, such as military alliances and nuclear deterrence, found sympathetic audiences in Asia. In 1955 these statements were trumpeted at Bandung, as were the Five Principles of Peaceful Coexistence.

The Indians, however, gradually grew uneasy. Their initial cordiality was tempered by the realization that the Communist advance into Tibet had put Chinese forces some 1,500 miles closer to India. There were also glimmerings of concern over Peiping's intentions along the ill-defined frontier.

Emergence of Border Problem

During the 1950s the Chinese Communists circulated maps showing large areas of Ladakh, northern Assam, and part of Bhutan as Chinese territory.

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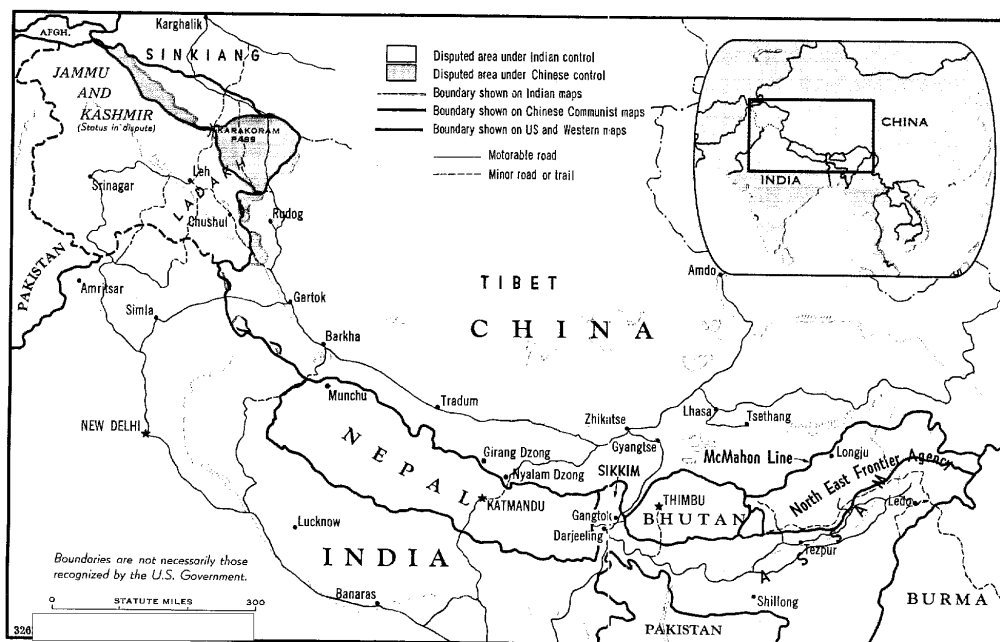
SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Replying to repeated protests from New Delhi, Peiping at first insisted that Chinese cartographers were merely reproducing the line shown on previous Chinese maps. Later, Peiping adopted its present position that, except for the Tibet-Sikkim border, the frontier has never been delimited. India began mildly protesting Chinese intrusions as early as 1954, but tempers did not begin to rise until after the Indians "discovered" the Chinese road in 1958. Outright Chinese harassment began at about the same time and included attempts to discourage Nehru from visiting Lhasa; when he attempted to cross a corner of Tibet on a visit to Bhutan, Chinese authorities held up his transit visa and limited his entourage.

Communist China's brutal suppression of the Tibetan revolt in 1959 startled India, and New Delhi's protests mounted as it became more concerned about the northern border. In Tibet, as in Korea, the Chinese felt that national self-interest forced them to take decisive action and to flout opinion in

An important turning point for the Chinese was probably India's decision to grant the Dalai Lama refuge. It confirmed their suspicion that India, despite its professed nonalignment, might not pursue an amicable policy indefinitely and that Nehru was motivated more by Western than by "revolutionary" sentiments. As a result, Peiping built access roads in western and southern Tibet and moved additional troops to the border area. India moved less vigorously, but the stage was set for armed clashes between border patrols. These were brought to public notice in August 1959, when Nehru told the Indian Parliament of Chinese Communist incursions at Longju in the northeast and Ladakh in the north.

Peiping and New Delhi have carried on their inflammatory border dialogue with an ear tuned to world opinion. Each has used charges of armed intrusion and airspace violation to depict the other as intransigent and aggressive. In publicizing its successful border accords with Nepal and



the non-Communist world. The impact of the Tibetan action on Indian intellectuals and government leaders was immense, and the ingenuous friendship of the early 1950s ended.

Burma, Communist China implicitly drew a comparison with India's reluctance to seek settlement. Chinese Communist moves toward negotiating a boundary agreement with Pakistan were also

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motivated by a desire to make India appear isolated from its Asian neighbors in refusing Chinese offers to enter talks.

Indian Military Moves

During the period of relative quiet after 1959, the Chinese continued their slow and surreptitious advances in Ladakh. These were spread thinly along the frontier, and the Chinese escaped detection as they pushed into the more inaccessible valleys. This spring, however, emboldened by its own military buildup and by signs of domestic weakness in China, India moved to check and, if possible, to reverse this advance. Since April, Indian forces, supported by an extended and improved logistics network, have been moving to outflank Chinese outposts which had been set up in areas not even claimed by Peiping a few years ago. These Chinese posts, many of them nearly 100 miles west of the Tibet-Sinkiang highway, are supplied overland via a series of subsidiary roads. The Indian objective this spring was limited to forcing the Chinese to fall back from these forward positions.

The Indian military buildup, in terms of newly raised army units, will probably not be completed until next spring. India's present strength, while not sufficient to challenge the Chinese hold on Ladakh, is probably sufficient to deter further Chinese nibbling.

Both New Delhi and Peiping, despite the strong language of notes exchanged this year, apparently want to avoid open conflict. New Delhi's military

effort this year has been largely one of maneuver; its troops are under orders not to fire unless fired upon. Peiping also appears to have instructed its forces to fire only in self-defense. Aware that its apparent reluctance to fight may encourage the Indians to continue to push forward, Peiping has repeatedly warned New Delhi not to interpret this restraint as a sign of weakness.

Prospects for Settlement

In the past three years no progress has been made toward a diplomatic settlement of the border problem. While both sides have said repeatedly that they want negotiations, substantive agreement on the more than 40,000 square miles in dispute has never been close. Chou and Nehru met in April 1960, but their week of frigid talks and the subsequent meetings of their respective border experts did little to mend the breach. This past winter the Chinese

broached the subject of new top-level discussions, and after the Indian elections last February Peiping reiterated its December call for renegotiation of the Indo-Tibetan trade treaty which was due to lapse in a few months. In both cases the Indians were unreceptive, insisting that before any talks could take place Communist China would have to "vacate its aggression."

The Chinese reject such preconditions and urge negotiations on the basis of the status quo, apparently hoping that something approaching the status quo will be ratified in a formal agreement.

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In mid-August, Nehru assured Parliament that his policy regarding the conditions for negotiations had not changed. However, he seems more willing than before to discuss possible steps to reduce tensions and create a climate conducive to negotiations.

subsequent Soviet shipments to India of transports and helicopters which New Delhi pictured as strengthening its northern border. Moreover, India has recently made much of the purported Soviet willingness to provide India with MIG-21s, as well as facilities to manufacture engines for jet fighters.

Nevertheless, Peiping probably welcomes any initiative which may help move New Delhi toward the conference table. Peiping argues that a satisfactory settlement could be reached if New Delhi would be "reasonable" and hints that an acceptable solution would, in general, give the Chinese the road and the portion of Ladakh they now occupy while permitting India to retain the territory south of the McMahon line in northern Assam. The Indians, who now control the region below the line, do not consider a renunciation of Chinese claims there a fair exchange for territory at the other end of the frontier. Nehru told the Indian Parliament in late March that there could be no major concessions to Communist China, and that only little bits of territory "here and there" are negotiable.

The Soviet Union has long urged a negotiated settlement of the boundary dispute and has maintained a public policy of noninterference. On a trip through Asia in February 1960, Khrushchev told newsmen only that he hoped the two countries could resolve their differences. This pointed lack of Soviet support for Peiping has been exploited in every possible way by New Delhi. It has been made doubly aggravating to the Chinese Communists by

Under present circumstances, with each side's version of a negotiated settlement tantamount to the other's capitulation, there is little prospect for fruitful negotiations. Peiping probably shares Nehru's recently expressed expectation that exploratory talks could last "five or six years."

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****MULLA MUSTAFA AL-BARZANI: KURDISH NATIONALIST**

Mulla Mustafa al-Barzani, leader of the year-old Kurdish rebellion in Iraq, comes naturally by his hostility to foreign authority. Even in the days of the Ottoman Empire, the Barzani was one of the most troublesome of the Kurdish tribes. Probably now in his fifties, Mulla Mustafa presumably received typical Kurdish upbringing, which includes indoctrination with a profound contempt for the "soft" Arab people of the Mesopotamian valley and a deep attachment to the freedoms of the mountaineer. His elder brother, Sheik Ahmad, rebelled frequently against the British in Iraq in the 1920s. Both were captured, and Sheik Ahmad's career ended in enforced residence.

Mulla Mustafa assumed the leadership of his people about 1941 or 1942. He escaped from detention in the summer of 1942, and returned to his tribal area in northeastern Iraq. In 1945 he led a new rebellion, but his 1,000 "rifles" were no match at that time for the forces of the Iraqi Government. In October 1945 he and his band fled with their families into Iran. They carried with them a number of Iraqi petty officials and school-teachers of Kurdish descent, as well as some Kurdish deserters from the Iraqi forces. Among the deserters were a dozen army officers, some of whom had been trained in England and had held posts on the Iraqi general staff. That such people would join Mulla Mustafa testifies both to his leadership qualities and to the

growing appeal of Kurdish nationalism.

This group came to the attention of the Soviet military authorities, who then were occupying the western part of Iranian Azerbaijan. Mulla Mustafa there met a number of Russian officers, including the commanding general of the Soviet forces. The Soviets suggested he place himself under the orders of Qadi Muhammad, leader of the Soviet-inspired Democrat Party of Kurdistan. By the end of October Mulla Mustafa's forces, increased by refugees and adventurers from Iraq, numbered nearly 3,000 armed men.

As the result of Soviet instigation, the province of Azerbaijan was thrown into rebellion and the eastern part of Azerbaijan came under the control of an "Azerbaijan People's Republic." In the western portion Qadi Muhammad declared his own area independent and inaugurated the Kurdish People's Republic. Mulla Mustafa received the rank of "Marshal" and appeared in a Soviet uniform, complete with high boots, epaulets, and red-banded garrison cap.

Soviet support was gradually withdrawn, however, and the Iranian Government refused to grant Kurdish autonomy. Kurdish irregulars resisted an Iranian Army campaign to reconquer the area but were defeated. Mulla Mustafa and

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about 300 of his tribesmen then fought their way northward and crossed into the Soviet union in June 1947. They remained there for eleven years, during which Mulla Mustafa sank into obscurity.

he and his followers were given some military training in the Tashkent area.

After the Iraqi revolution in July 1958, Prime Minister Qasim invited Mulla Mustafa and his followers to return to their homeland. Mulla Mustafa arrived in Baghdad in early October; 830 of his followers--together with their families, which by this time included some Russian wives--returned in April 1959 on a Soviet ship. Qasim gave Mulla Mustafa an allowance and a residence in the capital.

Relations between Mulla Mustafa and Qasim appeared cordial, and Mulla Mustafa extolled the new order in Iraq. However, as time passed and Mulla's expectations of Kurdish autonomy were unfulfilled, he apparently realized that this Iraqi government, like the others, intended to suppress Kurdish separatism. He began to agitate for more Kurdish freedom. He retired to Barzan, took over day-to-day leadership of the tribe, and continued political agitation.

The Kurd's aspirations at that time did not go beyond more favorable tax treatment, education in their own language, and a pro-Kurdish interpretation of that article of the temporary Iraqi constitution which guarantees full equality of Arabs and Kurds. When Qasim refused to meet these demands, Mulla Mustafa and his followers rebelled in the summer of 1961.

These demands had been formulated to some extent by the Democratic Party of Kurdistan (KDP). The KDP, which had maintained an ephemeral exist-

**BARZANI**

ence with Communist help since the 1940s, now is led by Mulla Mustafa. Despite his long residence in the Soviet Union and his association with the KDP, Mulla Mustafa seems to remain an unreconstructed Kurdish nationalist. Even Communist Kurds feel so strongly on the autonomy issue that they have insisted on a separate Kurdish Communist party branch. Dissension between this branch and the Arab Communists over Kurdish nationalist aspirations is chronic.

However, even with his increased stature as the leader of a successful rebellion against the Arab-dominated Qasim regime, Mulla Mustafa does not represent all of the Iraqi Kurdish tribes. Ambitious leaders of other tribes are traditional enemies of the Barzanis. Among these tribes are the Zibari, Surchi, and Herki--big tribes which are actually aiding the government against the Barzanis. Other tribes, such as the Jaf, have remained aloof. Temporary truces might be arranged if those tribes still friendly toward the regime, or rather still anti-Barzani, decide it is in their interest to join in and enlarge the rebellion. The chance of developing any kind of tight leadership organization under Mulla Mustafa, however, is practically nil. The leader who can unite all the Kurdish tribes is not in sight.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ITALY'S CENTER-LEFT GOVERNMENT**

After six months in power, Italian Premier Amintore Fanfani's "opening to the left" still faces stiff challenges before the national elections scheduled to be held in the spring of 1963.

The center-left government--a coalition of Christian Democrats, Social Democrats, and Republicans governing with the support of Pietro Nenni's Italian Socialist party--was formed on 22 February after a congress of Fanfani's Christian Democratic party voted in favor of the long-discussed experiment. The coalition has made some progress toward socio-economic reforms. Nenni's cooperation with the government is widening the breach between his party and the Communists. A significant by-product has been the creation of serious strains within the Communist party--which controls about a fourth of the Italian electorate--over strategy in countering the Fanfani government and the Nenni Socialists.

However, even some Christian Democrats still oppose the "opening to the left" out of mistrust of the Socialists, whose unity-of-action pact with the Communists was not broken until 1956. Economic interests, including influential Christian Democrats, fear the effect of the government's economic reform programs, and plan strong legislative opposition. The Communists can be expected to intensify strikes and thereby embarrass the Socialists over the "labor unity" issue.

The new government has taken more positive steps than

its predecessors to implement a reform program. It has moved to plug tax loopholes, to accelerate and expand the school development program, and to increase social security pensions. It has passed measures liberalizing censorship, and has begun to carry out the provisions of the 1946 constitution for regional administrations. It has also initiated government-management-labor meetings.

The coalition's most controversial measure has been the bill to nationalize the electric power industry--a quid pro quo for Socialist support of the government. This is to be the first order of business when parliament reconvenes in September. The measure is expected to pass, although strong efforts will be made by right-wing elements to postpone the final vote until the national elections.

Despite its dependence on Socialist support, the Fanfani coalition has continued the strongly pro-Western stand of previous Italian governments and continues to cooperate closely with the US on major goals. The Socialist party has accepted NATO as an instrument of defense, and there has been no threat to the maintenance of US missiles on Italian soil. One house of parliament has already passed a 7.5-percent increase in the defense budget--which remains one of the lowest in Western Europe in relation to GNP. In this vote the Socialists abstained, refusing for the first time to join the Communist opposition on this issue. A Socialist spokesman on defense matters stated that, in view of East-West defense increases, it

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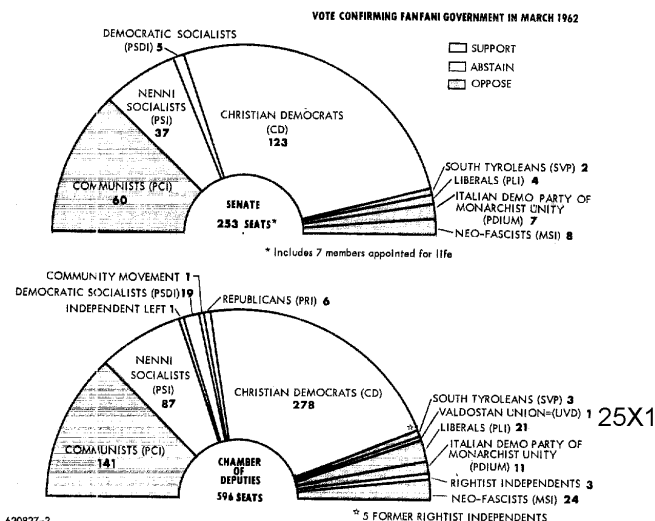
would be unrealistic to ask for a reduction in Italy's defense budget.

The center-left parties have been cautiously optimistic over the results of the June local elections--which involved about 2.5 million votes. The Christian Democrats lost fewer votes than expected, the Socialists held their own, and the smaller coalition parties made some gains. While Communist losses were slight, it is noteworthy that their record of steady advances has been broken. Nenni is reported to have indicated [] to Christian Democrat leaders that after the next national elections his party would cooperate with them in attempts to form local administrations even in areas where the Socialists and Communists have a majority. Socialists and Christian Democrats now are allied in about 100 local administrations, including Rome and all large Italian cities with the exception of Turin, Bologna, Palermo, and Naples; attempts to form a Christian Democratic - Socialist government in Naples are under way.

However, the Socialists remain linked with the Communists in cooperatives, some 1,800 small local governments, and in Italy's largest labor confederation, the Communist-dominated CGIL. While they have now joined with the cabinet parties in sending representatives to periodic meetings to coordinate labor policies, the Socialists will find it difficult to disengage themselves from the Communists in the labor field without losing their mass support. Socialist periodicals have stepped up arguments with the Communists over Italian

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government policies, Soviet censorship, and the undemocratic nature of Communism. While Nenni has been the motivating force in this process, his disappearance from the scene would probably not be enough to halt it.

Renewed attempts to discredit the coalition are in prospect this fall. The parliamentary opposition is expected to make a strenuous effort to delay nationalization of the electric power industry. Labor agitation will probably be more intense and more widespread than usual. Summer strikes were exceptionally severe, and violence can be expected when the principal metalworkers' contracts expire in October. Fanfani will try to maintain momentum, however, so that the coalition partners and their Socialist backers have clear-cut campaign issues for the spring elections.

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